



Telson Mining Corporation
TSX.V: TSN OTC Pink: SOHFF
Frankfurt: TSGN.F
Shares Issued: 130,434,348

Telson Mining Corporation Announces \$6.5 Million Financing to Enter Final Stage of Construction at Tahuehueto

Vancouver, British Columbia, September 26, 2018

Highlights:

- **Proceeds from the Private Placement will be directed to finalize construction of 1,000 tonnes per day mining operation Tahuehueto, located Northwestern Durango State, Mexico**
- **This funding milestone enables Telson to make application under its off-take funding agreement with Trafigura to draw down a matching amount up to US\$5 million.**
- **Telson maintains its target of initiating production at Tahuehueto during Q1 2019.**

Telson Mining Corporation ("**Telson**" or the "**Company**") (TSX-V – TSN, OTC Pink – SOHFF, Frankfurt – TSGN (formerly SQ82)) is pleased to announce that it has arranged a non-brokered private placement financing to raise gross proceeds of up to Cdn\$6.5 million aimed at finalizing construction of its 100% owned Tahuehueto Mine.

Private Placement Details

Pursuant to the private placement, up to 8,666,667 Units will be issued at a price of CAD \$0.75 per Unit. Each Unit will consist of one Common Share in the share capital of the Company and one half of one transferable Common Share purchase warrant (each whole such warrant, a "Warrant"). Each whole Warrant will entitle the holder thereof to acquire one Common Share at a price of CAD \$1.25 for a period of two (2) years following the closing of the private placement.

All Common Shares issued in connection with the private placement will be subject to a four month plus one day hold period under applicable Canadian securities laws. No finder's fees were paid in connection with the private placement. The private placement is subject to the approval of the TSX Venture Exchange.

The Company has received approximately CAD\$4.6 million of the private placement proceeds and anticipates the already committed balance of CAD\$1.9 million to be advanced shortly.

The net proceeds from the Units will be used by the Company to cover the Corporation's requirement to contribute funding to the Tahuehueto Mine's construction under its funding agreement with Trafigura Mexico, S.A. de C.V., and for general working capital purposes.

Sr. Jose Antonio Berlanga, Telson's Chief Executive Officer stated: "This private placement is priced at a significant premium to the Company's current market trading price and has been taken up by Management, Officers, Directors and insiders of the Company. It is reflective of the confidence we have in Telson's assets and future



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growth potential, both in the short-term and long term, as well as displays our strong commitment to all our shareholders and investors. Despite the current weak metals market, Telson continues to increase production at Campo Morado, and at the same time steadily advances the construction of our Tahuehueto Mine with underground development, site preparation/construction as well as infrastructure development.

We expect that 2019 will be an exciting year for Telson and its shareholders as we bring Tahuehueto into production and commence generating sales of concentrates from two mines.”

About Telson Mining Corporation

Telson Mining Corporation is a Canadian based mining company with two Mexican gold, silver and base metal mining projects.

Telson is currently in commercial production at its 100% owned Campo Morado Mine in Guerrero, Mexico. Effective May 15, 2018 Telson declared commercial production at Campo Morado. Telson is currently producing zinc and lead concentrates with gold, silver and copper as by-products, processing an average of approximately 2,000+ tons per day through the Campo Morado milling facilities.

Telson's 100% owned Tahuehueto Project, located in north-western Durango State, Mexico is currently in construction development. Pre-production commenced at Tahuehueto in August 2017 and is currently mining at a rate averaging 170 tonnes per day during Sept 1st – 23rd 2018, shipping ore to a third-party toll mill for processing. Management has a targeted timeline at Tahuehueto to be producing with its own on-site mineral processing plant, with a designed capacity of at least 1,000 tonnes per day, during the first quarter of 2019.

Regular metal concentrate deliveries and sales are well underway from both projects.

Visit: www.telsonmining.com

On behalf of the board of directors

(signed) "Ralph Shearing"

Ralph Shearing, P.Geol, President and Director

Qualified Persons

This press release was prepared under the supervision and review of Ralph Shearing, P.Geol., President and Director of Telson Mining Corporation, a Professional Geologist registered in Alberta as a member of the professional association APEGA, and a Qualified Person as defined by NI 43-101. Data verification by Mr. Shearing includes personal inspection of the Campo Morado and Tahuehueto mine sites, reviewing mining facilities, drill core, underground development and discussing work programs and results with geology and mining personnel.

Cautionary Note Regarding Production Decisions and Forward-Looking Statements

It should be noted that Telson has declared commercial production at Campo Morado prior to completing a feasibility study of mineral reserves demonstrating economic and technical viability. Accordingly, readers should be cautioned that Telson's production decision has been made without a comprehensive feasibility study of



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established reserves such that there is greater risk and uncertainty as to future economic results from the Campo Morado mine and a higher technical risk of failure than would be the case if a feasibility study was completed and relied upon to make a production decision. Telson has completed a preliminary economic assessment (“PEA”) mining study on the Campo Morado mine that provides a conceptual life of mine plan and a preliminary economic analysis based on the previously identified mineral resources (see News Release dated November 8, 2017 and April 4, 2018). This will soon be replaced by a pre-feasibility study (“PFS”) that will allow the application of modifying factors to the mineral resources to allow a portion of them to be converted to mineral reserves. At Tahuehueto, Telson is mining reserves supported by a pre-feasibility published early 2017.

Statements contained in this news release that are not historical facts are “forward-looking information” or “forward- looking statements” (collectively, “Forward-Looking Information”) within the meaning of applicable Canadian securities laws. Forward Looking Information includes, but is not limited to, disclosure regarding possible events, conditions or financial performance that is based on assumptions about future economic conditions and courses of action; the timing and costs of future activities on the Company’s properties, such as production rates and increases; success of exploration, development and bulk sample processing activities and timing for processing at its own mineral processing facility on the Tahuehueto project site. In certain cases, Forward-Looking Information can be identified by the use of words and phrases such as “plans”, “expects”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or variations of such words and phrases. In preparing the Forward-Looking Information in this news release, the Company has applied several material assumptions, including, but not limited to, that the current exploration, development, environmental and other objectives concerning the Campo Morado Mine and the Tahuehueto Project can be achieved, the continuity of the price of gold, zinc, lead and other metals, economic and political conditions and operations. Forward-Looking Information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by the Forward-Looking Information. There can be no assurance that Forward-Looking Information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on Forward-Looking Information. Except as required by law, the Company does not assume any obligation to release publicly any revisions to Forward-Looking Information contained in this news release to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.



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